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April 7, 2006

Ms. Jennifer J. Johnson, Secretary  
Board of Governors of the  
Federal Reserve Systems  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, DC 20551

R.E. Docket No. OP-1248

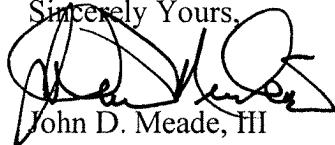
Dear Ms. Johnson:

As a Senior Vice President and Regional Manager for the Shenandoah Valley Offices of a state chartered bank and a member of the Federal Reserve System, I am writing to comment on the proposed guide lines entitled "Concentration in Commercial Real Estate Lending, Sound Risk Management Practices" further referenced by the above docket number.

Our Bank feels that the proposal is unduly harsh on bank's that are well run with appropriate controls in place to safely monitor and manage their commercial real estate portfolio's. Since the beginning of our bank in 1979, we have prided ourselves on our ability to identify, manage, and mitigate risk in our commercial loan portfolio. We firmly believe in and practice gathering the appropriate information to underwrite / document our loans and we have in place strong quality controls that ensure the satisfactory performance of our loans once placed on our books. Accordingly, to put into place the measures as proposed in the new capital guidelines will dramatically negatively impact both the earnings ability of bank (which impacts our capital) and ultimately downstream to the overall economies of the community's we serve. At the least, if implemented, there would need to be some type of phase-in to the proposed guidelines and some means of allowing exceptions for those financial institutions that are consistently performing both in earnings and credit quality. Putting every bank under the same guidelines truly is unfair and goes against the guidelines that we all (performing banks) strive so hard to measure up against (i.e. CAMEL ratings). Not to be unkind; however, to be blunt, if the FED is having concerns as to the banking industry's commercial real estate portfolio's, the answer is to step up the examination process on commercial real estate lending and deal accordingly with those bank's whose underwriting, loss experience, reserves, and capital, warrant closer supervision.

Your favorable consideration toward opposing this proposed regulation would be most appreciated.

Sincerely Yours,



John D. Meade, III  
Senior Vice President